



Reprinted  
March 4, 2014

---

---

## ENGROSSED HOUSE BILL No. 1063

---

DIGEST OF HB 1063 (Updated March 3, 2014 4:29 pm - DI 116)

**Citations Affected:** IC 10-13; IC 20-24; IC 20-35; IC 36-1.

**Synopsis:** Charter school compacts. Provides that a charter school and a school corporation may enter into a compact under which the: (1) school corporation or charter school agrees to provide goods, facilities, services, or other consideration to the other party to the compact; and (2) charter school authorizes the school corporation to include the charter school's performance assessment results when calculating the school corporation's performance assessment. Provides that a charter school may participate in a special education cooperative. Provides that a special education cooperative may be operated and managed by a board of managers that consists of members as determined by agreement between the parties. Provides that a charter school may enter into an interlocal agreement.

**Effective:** Upon passage.

---

---

### Huston, Battles, Sullivan, Moed

(SENATE SPONSORS — YODER, MILLER PETE, KRUSE)

---

---

January 9, 2014, read first time and referred to Committee on Education.  
January 14, 2014, reported — Do Pass.  
January 16, 2014, read second time, amended, ordered engrossed.  
January 17, 2014, engrossed.  
January 21, 2014, read third time, passed. Yeas 97, nays 0.

SENATE ACTION

February 4, 2014, read first time and referred to Committee on Education and Career Development.  
February 27, 2014, reported favorably — Do Pass.  
March 3, 2014, read second time, amended, ordered engrossed.

---

---

EH 1063—LS 6564/DI 116





Reprinted  
March 4, 2014

Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## ENGROSSED HOUSE BILL No. 1063

A BILL FOR AN ACT to amend the Indiana Code concerning education.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 10-13-3-21, AS AMENDED BY P.L.1-2006,  
2       SECTION 170, IS AMENDED TO READ AS FOLLOWS  
3       [EFFECTIVE UPON PASSAGE]: Sec. 21. As used in this chapter,  
4       "special education cooperative" has the meaning set forth in  
5       ~~IC 20-35-5-1(7)~~. **IC 20-35-5-1(8).**

6       SECTION 2. IC 20-24-8-9 IS ADDED TO THE INDIANA CODE  
7       AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
8       UPON PASSAGE]: **Sec. 9. (a) Before July 1 of any year, a charter**  
9       **school and the governing body of the school corporation whose**  
10       **attendance area includes the charter school may enter into a**  
11       **compact in which the:**

12               **(1) school corporation or charter school agrees to provide**  
13               **goods, facilities, services, or other consideration to the other**  
14               **party to the compact; and**  
15               **(2) charter school authorizes the school corporation to include**  
16               **the charter school's performance assessment results under**

EH 1063—LS 6564/DI 116



1 IC 20-31-8 when calculating the school corporation's  
2 performance assessment.

3 (b) If a charter school and a governing body enter into a  
4 compact under subsection (a), the charter school and the governing  
5 body shall notify the department that a compact has been executed  
6 under this section within thirty (30) days after the compact is  
7 executed.

8 (c) Upon receipt of the notification under subsection (b), the  
9 department shall, for school years starting with the school year  
10 beginning in the calendar year in which the compact was executed,  
11 include the charter school's performance assessment results under  
12 IC 20-31-8 when calculating the school corporation's performance  
13 assessment.

14 (d) A compact entered into under this section may not change  
15 the rights, duties, or responsibilities of an existing:

16 (1) employment contract; or

17 (2) collective bargaining agreement;

18 between a school employee and a school corporation or a charter  
19 school. An employee of a school corporation who provides services  
20 to a charter school remains an employee of the school corporation.

21 (e) This section may not be construed to prohibit any other  
22 agreement between a charter school and the governing body of the  
23 school corporation whose attendance area includes the charter  
24 school for goods, facilities, services, or other consideration.

25 SECTION 3. IC 20-35-5-1, AS ADDED BY P.L.1-2005, SECTION  
26 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON  
27 PASSAGE]: Sec. 1. The definitions in this section apply throughout  
28 this chapter.

29 (1) "Agreement" means an:

30 (A) identical resolution adopted by the governing body of each  
31 participating school corporation **or the governing board of a**  
32 **participating charter school;** or

33 (B) agreement approved by the governing body of each  
34 participating school corporation **or the governing board of a**  
35 **participating charter school;**

36 providing for a special education cooperative.

37 (2) "Assessed valuation" of a participating school corporation for  
38 a school year means the net assessed valuation of the school  
39 corporation for the immediately preceding March 1, adjusted in  
40 the same manner as any adjustment is made in determining the  
41 amount of state distribution for school support.

42 (3) "Board of managers" means the board or commission charged



with the responsibility of administering the affairs of a special education cooperative.

(4) "Governing body" of a participating school corporation **or charter school** means the board or commission charged by law with the responsibility of administering the affairs of the school corporation **or charter school**. In the case of a school township, the term means the township trustee and township board.

(5) "Participating school corporation" means a local public school corporation that:

(A) is established under Indiana law; and

(B) cooperates with other **school** corporations **or charter schools** in a special education cooperative.

**(6) "Participating charter school" means a charter school that is established under Indiana law and cooperates with other school corporations or charter schools in a special education cooperative.**

~~(6)~~ (7) "Percentage share" of a participating school corporation is the percent that its assessed valuation bears to the total assessed valuation of all the participating ~~schools~~ **school corporations** joining in an agreement.

~~(7)~~ (8) "Special education cooperative" means a department, school, **charter school**, or school corporation established, maintained, and supervised for the education of children with disabilities in accordance with this section.

SECTION 4. IC 20-35-5-2, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~Two (2) or more~~ **A participating school corporations corporation or charter school, together with one (1) or more participating school corporations or charter schools**, may form a special education cooperative in accordance with the provisions of either sections 13 through 15 of this chapter or section 16 of this chapter, but subject to the limitations of this section and sections 3 through 8 of this chapter, by adopting an agreement that contains the following provisions:

(1) A plan for the organization, administration, and support for the special education cooperative, including the establishment of a board of managers.

(2) The commencement date of the establishment of the special education cooperative, which must be contemporaneous with the beginning of a school year.

(3) The extension of the special education cooperative for at least five (5) school years and a provision that the special education



cooperative will extend from school year to school year after the five (5) year period unless the special education cooperative is terminated by action of the governing bodies **or governing boards** of a majority of the participating school corporations **and participating charter schools** that is taken at least one (1) year before termination of the agreement.

SECTION 5. IC 20-35-5-3, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. During the term of an agreement adopted under section 2 of this chapter, the agreement may be modified by unanimous consent of all the participating school corporations **and charter schools**.

SECTION 6. IC 20-35-5-4, AS AMENDED BY P.L.2-2006, SECTION 157, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. An agreement adopted under section 2 of this chapter may include the following:

(1) An agreement to acquire sites, buildings, and equipment for the sites and buildings by:

(A) purchase;

(B) lease from any of the participating school corporations **or charter schools** for the term of the agreement; or

(C) lease under the provisions of IC 20-47-2 or IC 20-47-3.

(2) An agreement to repair, equip, and maintain school buildings and equipment.

(3) An agreement that participating school corporations may use funds from their respective capital projects fund to pay for the costs under subdivision (1) or (2) or for any other purposes authorized under IC 20-40-8.

**(4) An agreement with a charter school to exchange any consideration for special education services.**

SECTION 7. IC 20-35-5-5, AS AMENDED BY P.L.2-2006, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The amount of money used from a participating school corporation's capital projects fund shall be determined by agreement among the participating school ~~corporations~~ **parties**.

SECTION 8. IC 20-35-5-6, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The cost of the special education cooperative for each school year shall be paid by the participating school corporations **and charter schools** in accordance with the terms of their agreement. Agreements for the payment of the cost of the special education



cooperative may:

(1) establish a formula for payments that meet the needs of the **participating** school corporations **and participating charter schools**; or

(2) base payments on a percentage share formula.

SECTION 9. IC 20-35-5-7, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Upon the termination of the agreement, the participating school corporations **and charter schools** shall be liable for their respective portions of any long term lease or other long term obligations in the same annual portions as are provided in the agreement as though the agreement had not been terminated, unless the terms under which the obligations were set up provide otherwise.

SECTION 10. IC 20-35-5-14, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A special education cooperative may be operated and managed and its budget determined by a board of managers. The board of managers consists **of members as determined by agreement between the parties.** ~~of one (1) designated member from each participating school corporation. The designated member from a participating school corporation must be:~~

(1) the president (or trustee in the case of a school township) of the governing body of a participating school corporation;

(2) any member of the governing body whom the president or trustee designates;

(3) the superintendent of a participating school corporation appointed by the president (or trustee in the case of a school township) of the governing body of the participating school corporation; or

(4) an assistant superintendent of a participating school corporation appointed by the president (or trustee in the case of a school township) of the governing body of the participating school corporation.

The president or trustee may change the designated member at any time.

SECTION 11. IC 36-1-7-1, AS AMENDED BY P.L.221-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the following:

(1) The state.

(2) All political subdivisions.

(3) All state agencies.

(4) Any of the following created by state law:



- 1 (A) Public instrumentalities.
- 2 (B) Public corporate bodies.
- 3 (5) Another state to the extent authorized by the law of that state.
- 4 (6) Political subdivisions of states other than Indiana, to the extent
- 5 authorized by laws of the other states.
- 6 (7) Agencies of the federal government, to the extent authorized
- 7 by federal laws.
- 8 **(8) Indiana charter schools.**
- 9 **SECTION 12. An emergency is declared for this act.**





## COMMITTEE REPORT

MR. SPEAKER:

Your Committee on Education, to which was referred House Bill 1063, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

(Reference is to HB 1063 as introduced.)

Committee Vote: Yeas 11, Nays 0

Representative Behning

---

 HOUSE MOTION

Mr. Speaker: I move that House Bill 1063 be amended to read as follows:

Page 2, between lines 8 and 9, begin a new paragraph and insert:

**"(d) A compact entered into under this section may not change the rights, duties, or responsibilities of an existing:**

**(1) employment contract; or**

**(2) collective bargaining agreement;**

**between a school employee and a school corporation or a charter school. An employee of a school corporation who provides services to a charter school remains an employee of the school corporation."**

Page 2, line 9, delete "(d)" and insert "(e)".

(Reference is to HB 1063 as printed January 14, 2014.)

HUSTON



## COMMITTEE REPORT

Madam President: The Senate Committee on Education and Career Development, to which was referred House Bill No. 1063, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to HB 1063 as printed February 17, 2014.)

Committee Vote: Yeas 9, Nays 0

Senator Kruse, Chairperson

## SENATE MOTION

Madam President: I move that Engrossed House Bill 1063 be amended to read as follows:

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 10-13-3-21, AS AMENDED BY P.L.1-2006, SECTION 170, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 21. As used in this chapter, "special education cooperative" has the meaning set forth in ~~IC 20-35-5-1(7)~~: **IC 20-35-5-1(8)**".

Page 2, between lines 19 and 20, begin a new paragraph and insert:

"SECTION 3. IC 20-35-5-1, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. The definitions in this section apply throughout this chapter.

(1) "Agreement" means an:

(A) identical resolution adopted by the governing body of each participating school corporation **or the governing board of a participating charter school;** or

(B) agreement approved by the governing body of each participating school corporation **or the governing board of a participating charter school;**

providing for a special education cooperative.

(2) "Assessed valuation" of a participating school corporation for a school year means the net assessed valuation of the school corporation for the immediately preceding March 1, adjusted in the same manner as any adjustment is made in determining the amount of state distribution for school support.



(3) "Board of managers" means the board or commission charged with the responsibility of administering the affairs of a special education cooperative.

(4) "Governing body" of a participating school corporation **or charter school** means the board or commission charged by law with the responsibility of administering the affairs of the school corporation **or charter school**. In the case of a school township, the term means the township trustee and township board.

(5) "Participating school corporation" means a local public school corporation that:

(A) is established under Indiana law; and

(B) cooperates with other **school corporations or charter schools** in a special education cooperative.

**(6) "Participating charter school" means a charter school that is established under Indiana law and cooperates with other school corporations or charter schools in a special education cooperative.**

~~(6)~~ (7) "Percentage share" of a participating school corporation is the percent that its assessed valuation bears to the total assessed valuation of all the participating ~~schools~~ **school corporations** joining in an agreement.

~~(7)~~ (8) "Special education cooperative" means a department, school, **charter school**, or school corporation established, maintained, and supervised for the education of children with disabilities in accordance with this section.

SECTION 4. IC 20-35-5-2, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. ~~Two (2) or more~~ **A participating school corporations corporation or charter school, together with one (1) or more participating school corporations or charter schools**, may form a special education cooperative in accordance with the provisions of either sections 13 through 15 of this chapter or section 16 of this chapter, but subject to the limitations of this section and sections 3 through 8 of this chapter, by adopting an agreement that contains the following provisions:

(1) A plan for the organization, administration, and support for the special education cooperative, including the establishment of a board of managers.

(2) The commencement date of the establishment of the special education cooperative, which must be contemporaneous with the beginning of a school year.

(3) The extension of the special education cooperative for at least



five (5) school years and a provision that the special education cooperative will extend from school year to school year after the five (5) year period unless the special education cooperative is terminated by action of the governing bodies **or governing boards** of a majority of the participating school corporations **and participating charter schools** that is taken at least one (1) year before termination of the agreement.

SECTION 5. IC 20-35-5-3, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 3. During the term of an agreement adopted under section 2 of this chapter, the agreement may be modified by unanimous consent of all the participating school corporations **and charter schools**.

SECTION 6. IC 20-35-5-4, AS AMENDED BY P.L.2-2006, SECTION 157, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 4. An agreement adopted under section 2 of this chapter may include the following:

(1) An agreement to acquire sites, buildings, and equipment for the sites and buildings by:

(A) purchase;

(B) lease from any of the participating school corporations **or charter schools** for the term of the agreement; or

(C) lease under the provisions of IC 20-47-2 or IC 20-47-3.

(2) An agreement to repair, equip, and maintain school buildings and equipment.

(3) An agreement that participating school corporations may use funds from their respective capital projects fund to pay for the costs under subdivision (1) or (2) or for any other purposes authorized under IC 20-40-8.

**(4) An agreement with a charter school to exchange any consideration for special education services.**

SECTION 7. IC 20-35-5-5, AS AMENDED BY P.L.2-2006, SECTION 158, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5. The amount of money used from a participating school corporation's capital projects fund shall be determined by agreement among the participating school ~~corporations~~ **parties**.

SECTION 8. IC 20-35-5-6, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 6. The cost of the special education cooperative for each school year shall be paid by the participating school corporations **and charter schools** in accordance with the terms of their agreement.



Agreements for the payment of the cost of the special education cooperative may:

- (1) establish a formula for payments that meet the needs of the **participating** school corporations **and participating charter schools**; or
- (2) base payments on a percentage share formula.

SECTION 9. IC 20-35-5-7, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 7. Upon the termination of the agreement, the participating school corporations **and charter schools** shall be liable for their respective portions of any long term lease or other long term obligations in the same annual portions as are provided in the agreement as though the agreement had not been terminated, unless the terms under which the obligations were set up provide otherwise.

SECTION 10. IC 20-35-5-14, AS ADDED BY P.L.1-2005, SECTION 19, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. A special education cooperative may be operated and managed and its budget determined by a board of managers. The board of managers consists of **members as determined by agreement between the parties.** ~~of one (1) designated member from each participating school corporation. The designated member from a participating school corporation must be:~~

- (1) the president (or trustee in the case of a school township) of the governing body of a participating school corporation;
- (2) any member of the governing body whom the president or trustee designates;
- (3) the superintendent of a participating school corporation appointed by the president (or trustee in the case of a school township) of the governing body of the participating school corporation; or
- (4) an assistant superintendent of a participating school corporation appointed by the president (or trustee in the case of a school township) of the governing body of the participating school corporation.

~~The president or trustee may change the designated member at any time.~~

SECTION 11. IC 36-1-7-1, AS AMENDED BY P.L.221-2007, SECTION 24, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 1. This chapter applies to the following:

- (1) The state.
- (2) All political subdivisions.
- (3) All state agencies.



- (4) Any of the following created by state law:
  - (A) Public instrumentalities.
  - (B) Public corporate bodies.
- (5) Another state to the extent authorized by the law of that state.
- (6) Political subdivisions of states other than Indiana, to the extent authorized by laws of the other states.
- (7) Agencies of the federal government, to the extent authorized by federal laws.
- (8) Indiana charter schools."**

Renumber all SECTIONS consecutively.

(Reference is to EHB 1063 as printed February 28, 2014.)

YODER

